

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region I - EPA New England

Drafted Date: July 20, 2012
Finalized Date: August 22, 2012

SUBJECT: Partial Compliance Evaluation of Magellan Terminals, Forbes Avenue Terminal,
New Haven, CT

FROM: Elizabeth Kudarauskas, Environmental Engineer, Air Technical Unit

ENTL
8/22/12

THRU: Christine Sansevero, Senior Enforcement Coordinator, Air Technical Unit

CMS 8/23/12

TO: File

I. Facility Information

- A. Facility Name: Magellan Midstream Partners, L.P.
- B. Facility Location: 134 Forbes Avenue New Haven, CT 06512
- C. Facility Mailing Address: same
- D. Facility Contact: Glenn Owens, Area Supervisor
- E. Type of Source (major/minor/sm/sm80): TV Major
- F. Date Title V permit issued: May 18, 2011
- G. AFS #: 0900900009

II Background Information

- A. Date of inspection: July 11, 2012
- B. Weather Conditions: sunny, hot, temps in the 90's
- C. US EPA Representative(s):
 - Beth Kudarauskas, Air Tech Unit, OES
 - Bill Osbahr, OEME
 - Mike Looney, OEME
 - Jerry Keefe, OEME
- D. State Representative(s): Charmaine Molyneaux
- E. Federally Enforceable Requirements Covered During the Inspection:
 - TV Permit
 - 40 CFR Part 60 Subpart XX
 - 40 CFR Part 63 Subpart R, if applicable
 - 40 CFR Part 60 Subpart K, if applicable
 - 40 CFR Part 63 Subpart Y, if applicable
 - 40 CFR Part 63 Subpart BBBBBB, if applicable

III Purpose of Inspection

The purpose of this inspection was to evaluate applicability and compliance of the Magellan Terminal with respect to the Subpart R and Subpart BBBBBBB MACT regulations. In addition, EPA conducted monitoring to determine whether excess VOC emissions were being emitted from the facility.

IV Facility Description

A. Company / Facility History

In Connecticut, Magellan Terminals Holdings, L.P. operates four terminals. The terminals on Waterfront Street, Forbes Avenue and East Street are located in New Haven, CT and a terminal in Hamden, CT is located on Welton Street.

The facility located at 134 Forbes Avenue was previously closed under Mobil before Magellan purchased the facility. Under Magellan's ownership, the facility was permitted by CT DEEP and reopened in 2005.

The facility is considered a "for hire terminal" meaning that Magellan Terminals Holdings, L.P. is responsible for storing, handling and distributing the products. However, Magellan does not own the product.

The Magellan facility on Forbes Avenue has eleven tanks equipped with internal floating roofs that can store gasoline or ethanol and a truck loading rack that is used to distribute gasoline and distillate products. Vapors from the facility are captured and controlled by a vapor vacuum collection system (VVCS) and vapor combustion unit (VCU).

B. Corporate Structure and CEO/President/owner name and mailing address

All four Magellan Terminals in Connecticut are managed through the same office at the Waterfront Street facility. All documents can be mailed to the office at the Waterfront Street facility. The Magellan corporate office is located in Tulsa, OK.

C. Number of Employees and Working Hours

The facility loading operations are conducted 24 hours a day, 7 days a week. Magellan currently employs 39 people in the New Haven area.

V Inspection

A. Entry

The EPA and CT DEEP inspectors entered the Magellan facility located on Waterfront Street at 10:00 am. The EPA inspectors (Ms. Kudarauskas, Mr. Osbahr, Mr. Keefe and Mr. Looney) showed their credentials to Mr. Glenn Owens, the Area Supervisor. Ms. Molyneaux identified herself as an inspector from CT DEEP. Mr. Owens supervises all Magellan terminals in New Haven and met the inspectors at the office at the Waterfront Street location.

B. Opening Conference

The inspectors sat down with Mr. Owens of Magellan Terminals Holdings, L.P. for the opening conference. Ms. Kudarauskas had called Mr. Owens the afternoon before the inspection to announce the inspection. During the opening conference, Ms. Kudarauskas explained that the purpose of the inspection was to evaluate compliance with air regulations. The inspectors explained that they planned to visit both the Waterfront Street and the Forbes Avenue terminals.

The inspectors explained that in addition to the routine inspection they would be using some monitoring equipment to evaluate facility operations. Mr. Looney explained that he brought a forward looking infra-red (FLIR) camera with him to visually detect gasoline vapor leaks. Mr. Osbahr explained that he brought equipment with him to check the pressure in the vapor lines during truck loading.

Mr. Owens explained that all four Magellan facilities were managed out of the Waterfront Street office. Mr. Owens provided the inspectors with a site map for the Magellan facilities in Connecticut. Mr. Owens reviewed the tank contents for the inspectors and provided the inspectors with a current listing of all tanks on the property and the product stored in each tank. At the Forbes Avenue facility, there are 2 tanks of ethanol, 4 tanks of Rbob (regular gasoline without oxygenate), 2 tanks of Pbob (premium gasoline without oxygenate), 3 tanks of ultra low sulfur diesel, 2 tanks of ultra low sulfur kerosene, 1 tank of #2 bio blendstock, and 1 tank of #2 oil. See the table below for a list of tanks at the Forbes Avenue Terminal.

| Magellan Forbes Avenue Terminal | |
|---------------------------------|---------|
| Tank ID | Product |
| 22M | Pbob |
| 27M | Pbob |
| 20M | Rbob |
| 21M | Empty |
| 23M | Rbob |
| 28M | Rbob |
| 24M | Ethanol |
| 29M | Ethanol |

| | |
|-----|-------------------|
| 31M | #2 bio blendstock |
| 32M | #2 oil |
| 25M | ULSD |
| 26M | ULSD |
| 30M | ULSD |
| 11M | ULSK |
| 18M | ULSK |

The Forbes Avenue terminal has one truck loading rack consisting of seven bays for loading gasoline and distillate. Two of the distillate loading bays are controlled by the VVCS and the VCU. One distillate loading bay is uncontrolled. All trucks loading product at the bottom loading lanes are required to connect the vapor recovery hoses regardless of product being loaded. This is to prevent excess fugitive emissions from switch loading.

Product is brought to the Forbes Avenue terminal on ships and barges that use the facility dock on New Haven Harbor. The New Haven area Magellan terminals have a vessel at the docks almost every day and the Forbes Avenue terminal has the ability to load distillate onto barges, if necessary.

The Magellan Terminals are also connected to the Buckeye Pipeline and can move product through the pipeline as necessary. Magellan also has inter-terminal pipelines which allow them to move product between the other Magellan facilities in the area.

Magellan does not operate a fleet of tanker trucks and there is no vehicle fueling at any of the Magellan terminals in Connecticut. There is no vehicle maintenance conducted on site and there are no degreasers at either facility.

C. Plant Walkthrough

The inspectors conducted a walkthrough of the Forbes Avenue Terminal on July 11, 2012. Ms. Kudarauskas observed a total of seven bays on the loading rack. The gasoline loading bays were in use during the inspection and trucks were waiting in line to fill with gasoline.

Because the Forbes avenue terminal utilizes a VVCS, Mr. Osbahr did not use the pressure monitoring equipment. Each loading bay that is tied into the VVCS had a separate PVRV. Mr. Osbahr used the FLIR camera to check the PVRVs on top of the loading rack. Mr. Osbahr did not observe any leaks on the PVRVs with the FLIR camera during the inspection.

The inspectors stopped in the terminal control room to check the operating temperature of the

VCU. The minimum operating temperature in the Title V Permit is 200°F. At the time of the inspection (3:43 pm) the VCU stack temperature in the control room was 1090°F. According to the control panel outside on the VCU, the operating temperature was 1348°F.

In the terminal control room the inspectors were able to observe the pressure at each loading bay. See the table below for the vapor line pressures at the time of the inspection (3:43 pm).

| Magellan Forbes Avenue Terminal Vapor Line Pressure | |
|--|-------------------------------------|
| Location | Pressure (in H₂O) |
| Header | -6.7 |
| Bay 5 | 0.8 |
| Bay 1 | -5.8 |
| Bay 3 | 0.6 |
| Bay 6 | -4.3 |
| Bay 2 | 1.7 |

The inspectors then briefly walked though the tank farm. Mr. Looney observed the gasoline tanks using the FLIR camera.

E. Closing Conference

The inspectors conducted a brief closing conference at the end of the day. Before the closing conference the inspectors visited three of the Magellan Terminals: Waterfront Street, Forbes Avenue, and 85 East Street.

During the discussion, Mr. Owens stated that Magellan was upgrading the loading racks at the Waterfront Street Terminal and the Forbes Avenue Terminal. Ms. Kudarauskas asked for more detail and Mr. Owens clarified that systems such as the electronics and the computerized controls would be upgraded and distillate arms would be added. Mr. Owens stated that diesel arms would be added at the loading racks but no gasoline arms or bays would be added.

The inspectors confirmed that Magellan does consider the Forbes Avenue Terminal to be subject to the Gasoline MACT, Subpart R.

Mr. Owens requested copies of any of the photos or videos that EPA took while on site during the inspection.

Ms. Kudarauskas reminded Mr. Owens of the Connecticut anti-idling regulations. Ms. Kudarauskas stated that she observed trucks idling at both the Waterfront Street and the Forbes Avenue Terminal. Mr. Owens said that he would look into increased signage and ways to remind

drivers to shut off the engines while on Magellan property.

The inspectors left the facility at approximately 5:00 pm.